

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6614

BILL NUMBER: SB 189

NOTE PREPARED: Dec 21, 2009

BILL AMENDED:

SUBJECT: Alcoholic Beverage Matters.

FIRST AUTHOR: Sen. Boots

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill creates a supplemental dealer's permit for holders of beer, wine, or liquor dealer permits who want to sell alcoholic beverages for carryout on Sunday. It allows the holder of a package liquor store permit or farm winery permit to sell carryout alcoholic beverages on Sunday without a supplemental dealer's permit. It requires the fee for the supplemental dealer's permit to be deposited in the Enforcement and Administration Fund of the Alcohol and Tobacco Commission (ATC). It also allows the holder of a beer dealer permit to sell cold beer.

This bill makes it a Class C misdemeanor for an alcoholic beverage dealer permittee or a dealer permittee's employee or agent to recklessly, knowingly, or intentionally sell, barter, exchange, provide, or furnish to another person alcoholic beverages for carryout without first requiring the person to produce proof that the person is at least 21 years of age in the form of: (1) a driver's license; (2) a government-issued identification card; or (3) a government-issued document; that bears the person's photograph and birth date. It provides that it is a defense in a criminal or administrative proceeding that the individual who purchased carryout alcoholic beverages without being required to provide proof of age appeared to be at least 50 years of age. The bill provides that, in a criminal prosecution or proceeding before the ATC, it is a defense to a charge of unlawfully furnishing alcohol to a minor that the purchaser produced a government-issued document bearing the purchaser's photograph and showing the purchaser to be at least 21 years of age. It allows a minor to be on the licensed premises of a package liquor store if the minor is accompanied by the minor's parent or guardian who is at least 21 years of age. The bill repeals a provision that limits the commodities that a package liquor store may sell. It also repeals a provision that prohibits beer dealers from selling cold beer.

Effective Date: July 1, 2010.

Explanation of State Expenditures: *Alcohol and Tobacco Commission (ATC):* This bill could increase

administrative expenditures for the ATC by requiring the ATC to establish rules governing issuance of a supplemental dealer's permit. The ATC's current level of resources should be sufficient to implement this change.

Explanation of State Revenues: *Supplemental Dealer's Permit:* This bill creates a supplemental dealer's permit to allow holders of beer, wine, or liquor dealer permits to sell alcoholic beverages for carryout on Sunday. This could increase permit fee revenues deposited in the Enforcement and Administration Fund. The annual fee for the permit is;

- \$500 if the dealer sells only beer, only wine, or only liquor
- \$750 if the dealer sells any two of the alcoholic products
- \$1000 if the dealer sells beer, wine, and liquor

Impact on Alcohol Sales: While it is assumed that the majority of consumers are able to purchase all the alcoholic beverages they desire to consume within the hours dictated by current law, it is possible that the added convenience and availability of alcohol sales on Sundays may allow consumers to purchase more alcoholic beverages than they would have otherwise. The extent to which consumers may make additional purchases above what would be purchased under current law is unknown. However, any impact will likely be minimal since there will be a shift in purchases of alcohol from other days of the week. Any impact on Sales Tax revenue is expected to be minimal since any additional purchases of alcohol would likely reduce consumer spending on other sales taxable items.

Additionally, the bill repeals a provision that prohibits beer dealers from selling cold beer. Under current statute, only package liquor stores are allowed to sell cold beer. Any increase in sales by beer dealers will be offset by a corresponding decrease in sales at package liquor stores.

Penalty Provision: This bill makes it a Class C misdemeanor for a permittee or permittee's employee or agent to sell another person an alcoholic beverage without first requiring the person to produce proof that the person is at least 21 years of age. If additional court cases occur and fines are collected, revenue to both the Common School Fund (from fines) and the state General Fund (from court fees) would increase. The maximum fine for a Class C misdemeanor is \$500. However, any additional revenue would likely be small.

Explanation of Local Expenditures: *Penalty Provision:* A Class C misdemeanor is punishable by up to 60 days in jail.

Explanation of Local Revenues: *Penalty Provision:* If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from court fees. However, any change in revenue would likely be small.

State Agencies Affected: ATC.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources:

Fiscal Analyst: Diana Agidi, 317-232-9867.